

Message Text

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44

ACTION AF-04

INFO OCT-01 SS-14 ISO-00 EUR-08 NSC-05 NSCE-00 INR-05

CIAE-00 SP-02 L-01 EB-03 PRS-01 OMB-01 H-01 /046 W

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R 071333Z AUG 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 2474

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY KINSHASA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TOKYO

C O N F I D E N T I A L ROME 11364

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, EAID, CG, IT

SUBJECT: FINANCIAL ASSISTANCE TO ZAIRE

REF: STATE 182865

1. EMBOFFS CALLED ON DRS. ZAPPIA AND TOR DI VEGLIA AT MINISTRY OF TREASURY AUGUST 7 RE FINANCIAL ASSISTANCE TO ZAIRE PER REFTEL. DR. ZAPPIA ACKNOWLEDGED THAT IN RECENT PAST ITALY HAD EXPERIENCED SOME DELAYS IN PAYMENTS ON EXPORT CREDITS TO ZAIRE. HOWEVER, MOST RECENTLY PAYMENTS SEEMED TO BE NEARLY BACK ON SCHEDULE. NONETHELESS, ITALIANS WERE AWARE OF ZAIRE'S FINANCIAL DIFFICULTIES IN FORM OF LARGE AMOUNT OF SHORT-TERM COMMERCIAL CREDITS OUTSTANDING. ITALY'S OWN MEDIUM- AND LONG-TERM EXPORT CREDIT EXPOSURE WITH ZAIRE WAS ABOUT 150 BILLION LIRE (ABOUT \$226 MILLION AT \$1.00 EQUALS 665 LIRE).

2. DR. ZAPPIA SAID THAT MISSION FROM ZAIRE HAD ORIGINALLY BEEN SCHEDULED FOR ROME VISIT IN JULY BUT HAD BEEN POSTPONED UNTIL SEPTEMBER. VISIT WOULD TAKE PLACE WITHIN CONTEXT OF
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BILATERAL ECONOMIC COOPERATION AGREEMENT BETWEEN TWO COUNTRIES.

MEETING WOULD NO DOUBT PROVIDE OPPORTUNITY FOR DISCUSSION OF
ZAIRE'S FINANCIAL DIFFICULTIES.

3. DR. ZAPPIA WAS AWARE OF PRESSURES FOR ZAIRES TO TURN TO
IMF FOR ASSISTANCE BUT SUPPOSED THAT APPARENT RELUCTANCE TO DO
SO WAS BASED ON DESIRE TO AVOID ECONOMIC CONDITIONS WHICH
MIGHT BE ATTACHED TO FUND STANDBY.

4. ZAPPIA DID NOT COMMENT EXPLICITLY ON POSSIBILITY OF NEW
ASSISTANCE OR REFINANCING FROM ITALY BUT IMPLIED THAT, BE-
CAUSE OF LARGE AMOUNT OF EXPORT CREDITS OUTSTANDING, ITALY
MIGHT HAVE TO TAKE SOME ACTION TO ASSIST ZAIRES. VOLPE

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